

2

File No. 158-16

Serial No\$.

Later references.

p. 27
/ (E)

Part B for January 1917.

San Loan of the United Kingdom
and of India-

56. 1

File, order:-

Notifies that the Govt consider it desirable to raise a "war loan" in 5 p.c. sterling per annum.

1-3-1917

GENERAL AND REVENUE SECRETARIAT.

(S. R.)

NOTES.

File No. 158-6

FILE HEADING.

War Loan of the United Kingdom
and India -

From

No.	Dated		Received
Diary No.	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

IMMEDIATE.

CONFIDENTIAL.

WAR LOAN OF THE UNITED KINGDOM
AND OF INDIA.

I submit herewith the prospectus of the

A United Kingdom War Loan^x and also the notification

of the Government of India about the intended --

B Indian War Loan^x. ~~The~~ full page advertisement of

C the Times of India^x herewith put up summarises very well the main feature of the United Kingdom Loan - Scheme.

2. The question how far Mysore can help in both these schemes requires consideration.

3. We can help in two ways:-

(i) Giving publicity to both the loan schemes in the Mysore Gazette, the Economic Journal, etc. as far as possible and affording facilities to subscribers by receiving subscriptions in our District and Taluk Treasuries, by arranging through the --- Mysore Bank or otherwise to get the bonds and transmit them to the subscribers, etc.

(ii) Subscribe as far as possible from the State Funds direct.

4. As regards the first point a draft notification

notification for the next issue of the Mysore Gazette is under preparation and will be submitted for approval in a day or two. The idea is that any intending subscriber will have simply to pay in the amount he wants to invest in the nearest district or taluk treasury and the Mysore Government will do the rest and hand over the bond to him in due time. Facilities for drawing the interest from our treasuries may also be afforded.

5. As regards subscription to the loans from the State Funds I think we should concentrate our endeavours on the Indian Loan. It is of very great importance to India that the aggregate ^{amount of the} Indian Loan should come to as high a figure as possible. In this view we need not subscribe anything to the -- British Loan but reserve whatever we can afford ^{for} invest ^{ment} in the Indian Loan which will be probably - raised in April or May next.

6. In consultation with the Comptroller, the Mysore Bank and others I shall submit a note on the subject of our participating in the Indian Loan -- Scheme in the course of a few days.

7. In the meantime I shall be grateful for

any

any instructions which Government may give me in the matter indicating their intention and policy in the matter. Such instructions will be of very great help to me in making my calculations.

P. Chakravarti
22.1.1917

I shall be glad if the Fin. Secretary will kindly obtain the opinion of Mr. Datta and bring up, explain and obtain a decision at tomorrow's Council meeting at about 5 p.m.

23.1.17. *AC*

As regards the new British Loan the Government of India have issued the notification but have taken no steps to popularise it. The chief difficulty for ordinary people in India subscribing to the loan is that the interest on it is payable in England and the Government of India, if they wanted to encourage Indians to subscribe to the loan could have undertaken to pay the interest in India in the first instance and to recover it from the Imperial Government afterwards. This they have not done. They have not undertaken even to collect subscriptions to the loan in their treasuries and to remit them to England. It is true, the Exchange Banks have undertaken this but the sphere of the influence of these banks is limited to the presidency towns, and possibly a few other large centres of trade. It is not possible for them to reach the general wealthy public in India. On the other hand, the Government

Government of India have simultaneously with the issue of the notification for the British loan announced that they will themselves raise a loan in India for the purposes of the war and on behalf of the British Government on terms which will not be less favourable than the British loan. I am therefore of opinion that the Government of India intend that the British Loan should be subscribed for mainly by Europeans and that they intend to reach the Indians by means of their own loan. They would therefore naturally be better pleased if their own loan is successful. Taking all these facts into consideration I do not think it is necessary for Mysore to take any special steps for encouraging the British Loan. Of course, a notification can be issued in the Mysore Gazette pointing out the advantages of the British Loan but, I do not think it will serve any useful purpose. Only three weeks now remain for the loan to be closed and I do not think it is at all likely that any Mysoreans will subscribe to the British Loan. There is however no reason why Mysore should undertake anything which the Government of India have not undertaken. The fact that the interest on the British Loan is payable in England will be a stumbling block to Mysoreans subscribing to the loan. Mysore should not undertake to pay the interest itself and recover it ultimately in England. Exchange may be fixed for the present, but the loan is to last for 30 years and no one can say how exchange will fluctuate during this long period. Mysore should not therefore undertake this unknown liability when, as I have mentioned above, the Government of India itself has not undertaken it. On the whole therefore I am of opinion that no useful purpose will be served by issuing a notification in the Mysore

Mysore Gazette. If however Government decides to issue one, all that it should do is, to mention the special features of the loan, mentioning at the same time the fact that the interest is payable in England and that the Government of India has announced that they will themselves raise another loan, the interest on which will be payable in India and the terms of which will not be less favourable. The effect of such a notification will however be to discourage subscriptions rather than encourage them and I therefore repeat that it will be best not to issue any notification at all about the British Loan.

The Loan which the Government of India intend to issue, however, stands on an entirely different footing. The Mysore State has invested a large sum in depreciated rupee securities and as it will be necessary to realise the securities before long to carry out its ambitious schemes of capital expenditure, it will incur a very heavy loss if it can realise the securities at all within a reasonably short time. Further investment of the resources of the State in securities however favourable the rate of interest might be, will certainly be embarrassing and will no doubt interfere with the execution of its programme of capital expenditure. On financial grounds therefore it will be undesirable for the State to subscribe to the new Government of India Loan. But political considerations have to be taken into account and on political grounds it will be almost compulsory on the State to subscribe something to the Indian loan. The question for consideration therefore is how much should Mysore subscribe and how should the money required be raised. There is a further danger before the Mysore Government which ought not to be lost sight of. It holds

holds large Savings Bank deposits at call, and as there is no limit to the deposits at credit of individual accounts, it is quite possible that the favourable rate of interest and the other favourable terms which will be offered by the Government of India will induce some of the Savings Bank depositors to withdraw their deposits and invest them in the Government of India loan. If this is done, the actual payments of the subscriptions of these depositors to the loan will have to be made by the Mysore Government. I won't be surprised if this would cause a run on the Mysore Savings Banks and the amount might even be several lakhs of rupees, say, 10 lakhs. Taking this fact into consideration Mysore should undertake to subscribe directly for the loan, the minimum amount consistent with its dignity, as one of the premier Native States of the Country. Considering the fact that Mysore has made a gift of 52 lakhs of rupees as a war contribution, that it has lent its Imperial Service troops for the war, that its magnificent gift was followed by a gift of 60 lakhs by the Nizam, that Gwalior also has made gifts from time to time which have amounted now to a large sum, it seems to me doubtful if it will be consistent with the dignity of the State to subscribe for a sum of less than 50 lakhs to the new loan. The actual amount which will be subscribed may be decided upon later on after seeing what the other Native States do. But in the mean time we may take the amount of the subscription as 50 lakhs and consider how best we can raise it. The Mysore Government will always have to hold an invested reserve of a crore of rupees for its famine reserve and its other liabilities in the shape of Savings Banks and other deposits at call and any investment which may be

be made in the new Government of India war Loan will form part of this investment. The question therefore is how soon it can realise its present holdings in rupee securities partly to meet the demands of its own capital expenditure and partly to meet its subscriptions to the new War Loan. The terms of the Government of India Loan have not yet been announced and it is possible that some facilities will be granted for the conversion of the existing rupee securities. If such facilities are given the State will have to take advantage of them. In any case it is certain that these facilities alone will not enable the State to pay its whole subscription to the Loan. Some part of the subscription will have to be paid in cash and the question is how to raise this cash.

Every rupee that the State has now got in cash will be required to meet the capital expenditure to which it has committed itself. The only means left to subscribe to the loan is therefore to raise funds either by selling its rupee securities or by mortgaging them to the presidency banks. The latter will themselves have to subscribe largely to the new loan, and it is doubtful how far they will agree to hypothecate their funds for any length of time, even on the security of G.P. Notes. Of course, they will be bound to grant short ^{term} ~~er~~ loans on the security of G.P. Notes and they will also have to renew the loans from time to time, but until the stringency in the money market slackens, the terms on which a loan can be obtained from the presidency banks will be rather onerous. The Government of India

India will undoubtedly help the State to obtain the best possible terms, but the State should make some arrangements so as to enable it to repay within a comparatively short time any loan which it may raise on the security of its G.P. Notes. I would therefore suggest that the State should begin to sell its securities slowly and as the first step I would sell at once $3\frac{1}{2}$ per cent securities of the nominal value of 6 lakhs of rupees. These are now quoted at Rs. 74 and I would see at what price these can be actually sold. If this price can be obtained we should sell another similar amount and so on until the price goes down seriously. When the unlimited loan carrying 5 or $5\frac{1}{4}$ per cent interest is actually floated by the Government of India, the price of $3\frac{1}{2}$ per cents is likely to go down further. We should therefore take advantage of the present level of price as long as it lasts. If the price of $3\frac{1}{2}$ per cents is 74, the price of 5 per cents should be 108, so that it will be in the interests of the State to substitute the new loan for its present holdings of $3\frac{1}{2}$ per cent if the latter can be disposed ^{of} at 74 or even lower by one or two per cent^{age}.

My suggestion is therefore that the State should wait and see what the exact terms of the new Government of India Loan are and that in the mean time it should direct the Comptroller to sell 6 lakhs of $3\frac{1}{2}$ percent and to report the result as soon as possible.

I understand that the Bank of Mysore has applied to Government for a temporary loan of 5 or 6 lakhs. In view of the difficult position in which the Government itself has been placed, the

G. R. S. III-2]

General and Revenue
Secretariat.

3. 2

File No.

55

of 191

Serial
No.

The foregoing papers commencing with my note dated 22.1.17 and ending with Mr. Datta's note of 24.1.17 regarding help which Mysore can give to the war loans are resubmitted.

As per personal instructions received in Council the views of the Academy were ascertained demingally. After receipt of Major Jucker's letter of 27.1.17 a notification about the British loan was issued in the Mysore Gazette.

No further action is desirable at this stage. The terms of the Indian war loan will be published early next month & their publication may be awaited. Mr. Datta has suggested sale of Govt paper in small lots assuming that about 50 lakhs will be subscribed by the State to the War loan. I am not in favour of selling in a low, falling & disorganised market. It has been ^{agreed} decided in another case that until the security market gets steady again we should if necessary raise money for capital works by loans raised on the security of our Govt paper & that procedure may be adhered to. Even for the loan if we ~~could~~ subscribe it may be advantageous to borrow temporarily & then repay from surpluses or sale of paper as convenient.

The matter was discussed in Council & the file has not been tied back yet me
17.2.17

Sewan

17/2/17

4772
17.2.17

Weekly Statement of Affairs of the Bank of Mysore, Limited.

Liabilities	Week ending 18-1	Week ending 11-1	Increase	Decrease	Assets	Week ending 18-1	Week ending 11-1	Increase	Decrease
To Capital receipts ...	10	10	...	...	By cash, etc. ...	...	12'08	...	...
To Reserve Fund ...	1'25	1'25	...	...	By loans, etc. ...	...	45'71	...	...
To public and other deposits ...	...	51'62	...	...	By bills discounted ...	...	4'87	...	...
To sundries ...	...	1'22	...	...	By investments ...	...	'96	...	...
(Annas and pies omitted)					By balance at Agen- cies ...	...	'07	...	...
N.B.—In lakhs and decimals.					By dead stock ...	...	'19	...	...
					By sundries ...	...	'21	...	...
Total in lakhs...	...	64'09	...	...	Total in lakhs...	...	64'09	...	...

COTTON REPORTS.

Bangalore.—No transaction is reported to have been done.

Davangere.—The market is steady.

QUOTATIONS.

1. Coompta machine ginned, Red 223
2. " " " White 220
3. " hand ginned, Red 212
4. Mungary double roller 225

Bombay.—Extract from "The Bombay Market Report":—Locally trade continues lame and unsatisfactory. Fresh buying on Japan account has been absent for many weeks, and the hoped for improvement due at the turn of the year has not set in. Hampered as the Far Eastern trade has been by difficulties of finance, the recent stoppage of traffic of goods towards Bombay had almost a negligible effect, except that the adjustments of the sailing dates of a few steamers had to be made to suit the circumstances. Japanese houses have been more sellers than buyers lately, and large settlements of January contracts have taken place; on the other hand large local buying interests are busy accepting delivery of whatever January tenders are coming forward, which has supported the market in spite of poor export trade both for Europe and for Japan and lack of stimulus from the Governing markets.

The local mills, apparently regarding the present level of prices as artificial, are buying sparingly, believing that better bargains will be obtainable when the January excitement subsides.

PIECE-GOODS:—Market Reports.

Bangalore.—The market is reported to be dull on account of high prices ruling.

Madras.—It is reported that demand has been very poor during the whole of the past fortnight.

Bombay.—Extract from "The Bombay Market Report":—The general tone of the market is dull with little demand. Local rates rule weak and seem likely to go lower owing to the action of speculators, who bought largely and are now afraid or unable to hold. There is again a wide disparity between values here and Home prices and purchases could be made on spot at from 15 to 25 per cent below present costs. Upcountry buyers do not yet see their way to take advantage of the lower range of prices and act cautiously in view of the uncertainty of the future position. The recrudescence of plague in some of the consuming centres also checks buying. The Manchester market is maintaining its strength and this just helps the stronger dealers to hold their stocks firmly. But as we have said before, the fact must not be overlooked that private godowns are full of goods and it is roughly estimated that the stock held by speculators amounts to about 30,000 packages. Furthermore the enhanced cost of the goods increases the valuation by 50 to 100 per cent. Grey cloths remain unchanged with a poor enquiry. The spot price of 39" staple 16 by 12 Shirtings stands at about Rs. 8 per piece, whereas supplies are expected to arrive shortly, which were bought on the basis of Rs. 10/8 per piece. With a revival of demand it is confidently expected that prices will recover sharply. The only demand of note has been for Khaki Drills and large purchases have been made recently chiefly of Japanese makes. Bleached goods rule quiet and some dealers are now regretting that they missed the opportunity of clearing off their holdings at the top of the market. In dhooties dyed and coloured goods there is very little doing and prices remain nominally steady.

LOCAL YARNS

The market remains unchanged.

QUOTATIONS.

6	at annas	$7\frac{3}{4}$	per lb.
10's	„	$8\frac{1}{4}$	„
20's	„	12	„
30's	„	14	„

PRODUCE MARKET REPORTS.

Brown Sugar.—Prices range from Rs. $2\frac{1}{4}$ to $2\frac{1}{8}$ per maund of 28 lbs.

Jaggery.—Prices rule from Rs. 2 to $2\frac{1}{4}$ per maund of 28 lbs.

Cocoanut and Copra.—Copra ranges from Rs. 7 to $7\frac{1}{8}$ per maund of 25 lbs. and cocoanuts from Rs. 55 to 60 per 1,000 according to sizes. Tumkur quotes Rs. 5 to $5\frac{1}{8}$ per 100 cocoanuts. Tiptur quotes Rs. 45 to 48 per 1,100 cocoanuts.

Hides.—Prices. Cow hides $2\frac{7}{8}$ to $3\frac{1}{2}$ lbs. per rupee. Buffalo hides $3\frac{7}{8}$ to $4\frac{1}{2}$ lbs. per rupee. No transactions are reported in goat and sheep skins.

Rice.—Prices range from Rs. 15 to 19 per palla of 100 seers.

Paddy.—Prices rule from Rs. 30 to 35 per cart-load of 4 candies or 640 seers. New crop has begun to arrive.

Ragi.—Prices range from Rs. 35 to 37 per cart-load of 4 candies (640 seers).

Dhal (toor).—Prices rule from 7 to 8 seers per rupee.

Javaree (cholan).—Prices range from Rs. 36 to 39 per cart-load of 640 seers.

Ballar or Avare.—Price 11 to 12 seers per rupee.

Flour.—Superfine quality Rs. 19 12 0 per 196 lbs.

Household „ 19 0 0 „

Export „ 18 12 0 „

Fine bazaar „ 18 0 0 „

Bran.—Rs. 4-14-0 per 140 lbs.

Tamarind.—Prices range from Rs. 10 to 12 per bundle of 8 maunds weighing 210 lbs.

Coriander.—Prices range from Rs. $2\frac{1}{12}$ to 3 per maund equivalent to 30 local measures.

Chillies.—Price Rs. 2-4-0 to 2-12-0 per 26 lbs.

Coffee.—No demand. Price per maund of $26\frac{1}{2}$ lbs. Peaberry ranges from Rs. 14 to 15. Parchment Rs. 11/. Native Rs. 10/. Chikmagalur quotes for a maund of 28 lbs.

Peabery Rs. 13 to $13\frac{1}{8}$. Native Rs. 10 to 11. Mangalore quotes. Parchment 42/ per cwt. F. O. B.

Horse gram (kulthi).—Price, Bangalore 15 to $15\frac{1}{2}$ seers per rupee. Mysore, 19 seers per rupee.

Gram (Bengal).—Prices range from Rs. $13\frac{1}{8}$ to 14 per palla of 100 seers.

Arecanut.—Prices rule from Rs. 7 to 15 per maund of 25 lbs.

Pepper.—Prices range from Rs. 12 to 13 per 25 lbs.

Cardamoms.—Price Rs. 20 to 25 per 25 lbs.

Cotton Seed.—Price Re. $1\frac{1}{4}$ for 24 lbs. and price at Davangere Re. 1 per 52 lbs.

Castor Seed.—Prices range from Rs. 20 to 22 for a candy of 255 seers. Mysore Rs. $11\frac{1}{8}$ per 127 seers. Davangere quotes Rs. 9 per 100 seers.

Teel Seed.—Prices rule from Rs. 31 to 34 for 255 seers.

Huchellu.—Price Rs. 17 for 255 seers.

Hongey.—Prices rule from Rs. 20 to 22 for 255 seers.

Groundnut.—Prices range from Rs. 7 to 9 to 12 per 210 seers.

Soapnut.—Prices range from Rs. $2\frac{1}{4}$ to $2\frac{1}{6}$ per maund of $26\frac{1}{4}$ lbs.

Beeswax.—Prices rule from Rs. 20 to 24 per maund of 25 lbs.

Potatoes.—Prices range from Rs. 35 to 38 per 31 maunds of 32 lbs.

Turmeric.—Price Rs. $5\frac{1}{8}$ per maund of 26 lbs.

Sweet Oil.—Price Rs. 5-12-0 per maund of 25 lbs.

Castor Oil.—Price Rs. $5\frac{1}{2}$ per maund of 28 lbs.

Cocoanut Oil.—Prices rule from Rs. 7 to $7\frac{1}{8}$ per 25 lbs.

The Mysore Chamber of Commerce.

WEEKLY PRICE CURRENT AND MARKET REPORT.

VOL. II.]

BANGALORE, MONDAY, 22ND JANUARY, 1917.

[No. 3.]

THE MONEY MARKET.

Money is in strong demand.

Sterling Exchanges.—

Banks selling rate for bills on demand ... 1/4 1/2 } Nominal Banks
Banks buying rate for 3 m/sight credit bills ... 1/5 } not buying.

The following are the Bank Rates :—

Bank of Bengal	...	8 per cent since	9th November 1916.
Bank of Bombay	...	8 „ „	30th November 1916.
Bank of Madras	...	8 „ „	4th December 1916.

STOCK AND SHARE QUOTATIONS.

Shares.—

Bank of Mysore, Ltd., Rs. 50 paid up	...	...	70 Buyers
Bank of Madras, Ltd.	...	...	1,250 Sellers
Bangalore Bank, Ltd., Rs. 130 paid up	...	...	110
Bangalore Woollen, Cotton and Silk Mills, Co., Ord. Shares	...	...	125
Tata Iron and Steel Co.	...	Ord. Rs. 75 fully paid... Defd. Rs. 30 fully paid Pref. Rs. 150 fully paid	290 960 152 1/2
Tata Hydro-Electric Power Supply Co.	...	Ord. Rs. 1,000 fully paid Pref. Rs. 1,000	1,130 1,110
Mysore Spinning Manufacturing Company, Ltd., Rs. 250	...	...	310
United Breweries, Ltd.	...	Ord. Shares Rs. 75 Pref. 6% Rs. 100	115 Par.
Bangalore-Chikballapur Light Railway Shares, Rs. 25 paid	...	...	20
Kolar District Board Railway Debenture	...	...	94
Mysore Tannery, Ltd., Shares Rs. 10 paid	...	...	7

Government of India Rupee Loans.—

	Rs.
3 1/2 per cent	74
3 per cent	63
4 per cent Terminable Loan of 1915	97
4 per cent Conversion Loan of 1916	88 Ex-warrant

Mysore Government Loan.—

4 per cent	96 sellers
------------	------------

BULLION.

Gold and Silver.—Bombay Price—

Silver Bullion (Ready)	Rs. 102/ 5 cum duty
(1st settlement)	102/12 „
Gold Bar (Bank stamp)	27/10 per tola
Sovereigns	15/12 each

The market is reported to be in the same stagnant condition. The monetary difficulties appear to have reduced the prices.

COPPER AND BRASS.

Bombay Price—Copper	Rs. 116 per cwt.
Brass	118

Produce Market Reports—concl'd.

		Rs. a. p.	
Kerosene Oil. —Monkey Brand, Standard Oil Co.	...	7 4 0	per case of 2 tins.
Elephant „ do	...	6 10 0	do
Owl „ Best and Co.	...	4 14 0	do

General Climatic Conditions.—Satisfactory.

EXTRACTS FROM :—

1. Messrs. Gow, Wilson & Stanton, Ltd., India Rubber Market Report.

London, 21st December 1916.

The market has been comparatively steady after the excited state of last week, the extreme fluctuation having been between 3/0½ and 2/10½ per lb. a range 2½d. per lb. against 7d. last week. At present the price is 3/0½ per lb. for both Crepe and Sheet, and the market is steady. At anything below 3/0 per lb. very little enquiry seems sufficient to bring it back to the higher level.

During the past week business in forward positions has not been quite so active, and the market has again been subjected to fluctuations. There has been a distinct falling off in the enquiry for Rubber F. O. B. the East.

2. Messrs. Gow, Wilson & Stanton, Ltd., Indian, Ceylon and Java Tea Report.

London, 21st December 1916.

The Market opened at the beginning of the week with a very buoyant tone, all kinds up to 1/0d. meeting with brisk competition at dearer rates. Over this price, however, there was a good deal of irregularity in the bidding, and as a rule late values were barely maintained.

3. Bombay Market Report.

SALE OF GOLD BULLION.

The Government of India announce their intention, with effect from Thursday, the 18th January 1917, and until further notice, to sell gold bullion to a substantial amount every week. The Government of India reserve complete discretion as to the amount to be sold in any particular week, but they anticipate that the value of gold offered will average about half a million pounds sterling weekly, during the period in which sales continue and this sum will be offered in the first week. Sales will be arranged at Bombay through the Bank of Bombay.

Special Circular.

British Government New 5% Sterling Loan.

Through the courtesy of the Bengal Chamber of Commerce, the Mysore Chamber of Commerce, have been advised of the receipt of the following telegram from Mr. C. C. McLeod, Chairman of the East India Section of the London Chamber of Commerce, and which is published for the information of the members of the Chamber.

“Kindly circulate this cable to all Chambers, and bring prominently to the notice of their members and others India's opportunity for subscribing to the New War loan which the Exchange Banks will grant every facility to procure. A ready response would remove all feeling of India not adequately participating in the War Loans and also strengthen the bonds of Empire.”

The following are the principal features of the New Loan which is undoubtedly the best investment offered by the British Government to investors in India.

The loan is a 5% one issued at 95; thus yielding 5½%, but at the moment owing to the favourable rate of exchange prevailing for remitting money to London the investor will obtain a saving of three per cent thus reducing the cost of £100 stock to 92 and giving him a return close upon 5½%.

Payment can be made in full or in instalments extending to the 30th May. To the investor in India the stock and bonds and the dividends are exempt from all British taxation, present or future. The principal is repayable in 1947 at par, but the British Government has the option of redeeming it in 1929. To avoid depreciation during its currency the British Government will maintain a fund to the extent of 10 million pounds for the purpose of purchasing the stock whenever the market price falls below the issue price.

Investors should not delay to send in their applications to their Bankers at once as the last date for receiving applications in London is the 16th February 1917.

The Bank of Mysore will receive applications and transmit them to its London Agents free of charge.

Any further information can be obtained from the Secretary of the Chamber.

C O N F I D E N T I A L .

55

25th January

7

Dear Major Tucker,

As you are aware the Government of India have published an extraordinary issue of the India Gazette setting forth the terms of the British War Loan. I am directed to enquire whether it is desirable to reproduce the notice -- either in detail or in substance in the Mysore Gazette. Of course this has no reference to the Indian War Loan, the terms of which have not yet been published by the Government of India. The favour of an early reply is requested.

Yours sincerely,

Major T. H. St. George Tucker, I.A.,

First Assistant to the Resident in Mysore,

B a n g a l o r e .

N^o 699.

THE MYSORE RESIDENCY,
Bangalore, 27th January 1917.

Dear Mr Chakravarti

I have shown your D.O. letter No. 55.
dated the 25th January 1917, to the Resident
who desires me to say that he feels sure - -
that the publication of the terms of the
British war Loan in the Mysore Gazette would
be highly appreciated not only by the Govern-
ment of India, but by the Home Government as
well.

Yours sincerely
J. S. Chakravarti.

Rajamantrapravina Dewan Bahadur

J.S. Chakravarti Esqr.,

Financial Secretary to the Govt.
of Mysore.

gr.

II
Put into draft note
25/1/17

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

I submit herewith for information a letter received from Mr.

Tucker about the new War Loan. The two courses open now are: (1) the whole of the notification about the War Loan may be notified in the --- Mysore Gazette^x, or (2) an ^{abstract} ~~extract~~ of ^{it} ~~from~~ it. Personally I prefer the latter. I submit for approval or other orders ~~the~~ draft of ^a ~~the~~ notification ^x ~~on the lines of the second~~ ~~course~~ which may be issued in the next two issues of the Mysore Gazette.

28th January 1917.

member of the
First Council (the).

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

No 4206 & 29-1-17

My dear Mr Yates

Herewith a Notification
which should appear in the
next issue of the Gazette in
a prominent place and in
prominent type. It has
been finally approved by
Govt. I shall be obliged
if you can send me a
proof on Wednesday after
noon after my return
from Mysore

Yours sincerely
(Sd) S G Chakravarty

N O T I F I C A T I O N.

The Government of His Highness the Maharaja consider it desirable to bring to the notice of all - persons within the Mysore State that His Majesty's - Imperial Government have decided to raise a British War Loan in sterling bearing interest at 5 per cent. per annum which gives some special privileges to investors in India.

2. The special features of the British 5 per cent. Loan are as follows:-

(a) The loan will be issued at 95 per cent. and the return to investors will consequently be $5\frac{1}{4}$ per cent. Owing to the favourable rate of exchange now prevailing the rate of return is likely to be even -- better.

(b) The Capital and Interest of the Loan will be a charge on the Revenues of the United Kingdom.

(c) The Loan will be issued in Stock, or Bonds to Bearer at the option of subscribers.

(d) Applications must be for sums which are -- multiples of £ 50/- and may be for either (1) "Fully paid allotments", or (2) "Instalment allotments."

(e)

(e) If not previously redeemed the Loan will be ~~paid~~ repaid AT PAR on 1st June 19~~1~~7.

(f) Exemption from all British taxation present or future for persons not domiciled and not resident in the United Kingdom.

(g) THE PRICE OF ISSUE IS 95 PER CENT. PAYABLE AS FOLLOWS:-

1. For "Fully-paid Allotments --
On Application .. £ 95 per cent.
2. For "Instalment" Allotments:--

On Application ..	£ 5 per cent.
On Friday, 2-3-1917	£ 15 per cent.
On Friday, 23-3-1917	£ 15 per cent.
On Wednesday 18-4-1917	£ 20 per cent.
On Wednesday 9-5-1917	£ 20 per cent.
On Wednesday, 30-5-1917	£ 20 per cent.

	£ 95 per cent.

(h) For the purpose of ^{providing} ~~PROVISION~~ AGAINST DEPRE-
CIATION in the market price of the Loan, the ^{British} Treasury
undertakes to create a Sinking Fund to be used for
purchasing Stock or Bonds of the Loan for cancellation
whenever the market price falls below the issue price.

(i) The lists for both CASH and CONVERSION appli-
cations will be closed on Friday the 16th February 19
1917.

(j)

Bank of Mysore Ltd
and the

- 3 -

(j) The following ^{Exchange} ~~Exchange~~ Banks ~~in India~~ have
undertaken to facilitate transactions ^{relating} to ~~subscribers~~

of the BRITISH 5 PER CENT. WAR LOAN by accepting applications
and making remittances free of commission and other charges :

The National Bank of India Ltd

The Chartered Bank of India Australia & China

The Mercantile Bank of India Ltd.

3. It has been announced further that the --
Government of India will also raise a loan within the
next few months and the whole amount raised will be
made over to His Majesty's Government to assist in
the prosecution of the War.

4. Further information about the BRITISH 5 PER
CENT. WAR LOAN can be obtained from ^{the extraordinary comm} ~~pages~~ Govern-

^{the} ~~ment~~ of India Gazette dated 13th January 1917 or from --

Secretary to the
the/Mysore Chamber of Commerce, Bangalore .

J. S. Chakravarti
Financial Secy to Govt.

General and Revenue
Secretariat.

CJ File No. 158 of 1916.

Serial
No.

1

Pl 4248 of 31.1.17

Notifies that the Govt consider it desirable
to raise a "war loan" in 5% sterling
per annum.

500
5

C. F. 158-16
Ser. 1

NOTIFICATION.

No 264248

231 January 1917

The Government of His Highness the Maharaja

consider it desirable to bring to the notice of all --
persons within the Mysore State that His Majesty's Imperial Government have decided to raise a British War Loan in sterling bearing interest ^{at} 5 per cent. per annum which gives some special privileges to investors in --
India.

2. The special features of the British 5 per cent. Loan are as follows:-

(a) The loan will be issued at 95 per cent. and the return to investors will consequently be $5 \frac{1}{4}$ per cent. Owing to the favourable rate of exchange now prevailing the rate of return is likely to be even -- better.

(b) The Capital and Interest of the Loan will be a charge on the Revenues of the United Kingdom.

(c) The Loan will be issued in Stock, or Bonds to Bearer at the option of subscribers.

(d) Applications must be for sums which are multiples of £ 50/- and may be for either (1) "Fully-paid ~~instalments~~ allotments", or (2) "Instalment allotments".

(e)

(e) If not previously redeemed the Loan will be repaid AT PAR on 1st June 1947.

(f) Exemption from all British taxation present or future for persons not domiciled and not resident in the United Kingdom.

(g) THE PRICE OF ISSUE IS 95 PER CENT. PAYABLE AS FOLLOWS:-

1. For "Fully-paid Allotments" --		
On Application ..		£ 95 per cent.
2. For "Instalment Allotments" --		
On Application ..		£ 5 per cent.
On Friday, 2-3-1917		£ 15 per cent.
On Friday, 23-3-1917		£ 15 per cent.
On Wednesday, 18-4-1917		£ 20 per cent.
On Wednesday, 9-5-1917		£ 20 per cent.
On Wednesday, 30-5-1917		£ 20 per cent.

		£ 95 per cent.

(h) For the purpose of PROVIDING AGAINST DEPRECIATION in the market price of the Loan, the British Treasury undertakes to create a sinking fund to be used for purchasing Stock or Bonds of the Loan for cancellation whenever the market price falls below the issue price.

(i) The lists for both CASH and conversion applications

applications will be closed on Friday the 16th February 1917.

(j) The Bank of Mysore^{Ltd.} and the following exchange Banks have undertaken to facilitate transactions relating to the BRITISH 5 PER CENT. WAR LOAN by accepting -- applications and making remittances free of commission and other charges:-

THE NATIONAL BANK OF INDIA, LTD.

THE CHARTERED BANK OF INDIA, AUSTRALIA & CHINA.

THE MERCANTILE BANK OF INDIA, LTD.

3. It has been announced further that the -- Government of India will also raise a loan within the next few months and the whole amount raised will be -- made over to His Majesty's Government to assist in the prosecution of the War.

4. Further information about the BRITISH 5 PER CENT. WAR LOAN can be obtained from the extraordinary issue of the India Gazette dated 13th January 1917 or from the Secretary to the Mysore Chamber of Commerce, Bangalore.

J.S.CHAKRAVARTI,

Financial Secretary to Government.